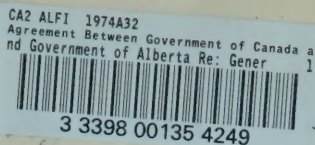


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economic expansion

GENERAL DEVELOPMENT AGREEMENT

between ALBERTA and Canada

THIS AGREEMENT made this ^{sixth} ~~fourth~~ day of March, 1974

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented by the Minister of Regional Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF ALBERTA (hereinafter referred to as the "Province"), represented by the Minister of Federal and Intergovernmental Affairs,

OF THE SECOND PART.

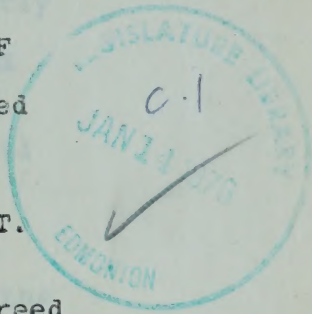
WHEREAS Canada and the Province have jointly agreed to identify and pursue development opportunities in Alberta and wish by this Agreement to provide a general framework for the coordinated planning and implementation of such measures;

AND WHEREAS Canada and the Province are agreed on the objectives, general strategy and procedures which would govern the identification and selection of such measures;

AND WHEREAS the Governor in Council by Order in Council P.C. 1973-14/3799 of December 11, 1973 has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council 415/74 of March 4, 1974 has authorized the Minister of Federal and Intergovernmental Affairs to execute this Agreement on behalf of the Province;

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NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement

- (a) "area" means a portion of the Province of Alberta;
- (b) "development opportunity" means an opportunity for economic or socioeconomic development significantly advancing the objectives of this Agreement;
- (c) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (d) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
- (e) "initiative" means the subject matter of any subsidiary agreement and includes any program, project or other activity designed to implement the objectives of this Agreement;
- (f) "Ministers" means the Federal Minister and the Provincial Minister;
- (g) "Provincial Minister" means the Minister of Federal and Intergovernmental Affairs and includes anyone authorized to act on his behalf;
- (h) "regional" means pertaining to the region comprised of the four provinces of British Columbia, Alberta, Saskatchewan and Manitoba;
- (i) "socioeconomic development" means the combination of social and economic factors necessary to encourage development and access to its benefits;
- (j) "subsidiary agreement" means an agreement made pursuant to section 6 of this Agreement.

PURPOSE OF AGREEMENT

- 2. The purpose of this Agreement is to facilitate federal-provincial cooperation in initiatives undertaken in respect of economic and socioeconomic development in Alberta to achieve the objectives stated hereinafter in accordance with the strategy agreed to in or pursuant to this Agreement.

OBJECTIVES

- 3. The objectives of this Agreement are:
 - (a) to improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential; and
 - (b) to promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development.

- (c) To reinforce the priorities of the province in respect of initiatives for its socio economic development.

STRATEGY

4. To pursue the objectives stated in section 3, Canada and the Province will seek to achieve a coordinated application of relevant federal and provincial policies and programs through continuing

- (a) identification of development opportunities and assistance in their realization through co-ordinated application of relevant federal and provincial policies and programs, including the provision of specialized measures required for such realization; and
- (b) analysis and review of the economic and social circumstances of Alberta and Alberta's relationship to the regional and national economy, as these may be relevant to achieving the objectives stated in section 3.

5. A broad strategy for achieving such objectives is provided in Schedule "A" attached hereto, which strategy shall be considered annually, and may be revised from time to time, by the Ministers.

SUBSIDIARY AGREEMENTS

6.1 When a development opportunity has been agreed to by the Ministers for implementation under this Agreement, Canada and the Province may enter into a subsidiary agreement as provided for by subsection 6.4 for the implementation thereof. Each subsidiary agreement shall be signed by the Ministers and may also be signed by such other federal and provincial ministers as appropriate, having regard to the initiative concerned and shall specify so far as practical all relevant details of the initiative, including the total estimated cost, and the costs to be borne by Canada and the Province.

6.2 In the formulation of any subsidiary agreement it is understood and agreed that each party will consider the relationship of the proposed initiatives to its relevant policies and programs, and that, within the context of the objectives and strategy of this Agreement, the Ministers shall consider its impact and costs, having regard to such analysis as they may deem to be relevant and practical in respect of the following matters and such other matters as may be agreed upon by the Ministers:

- (a) the extent to which it would directly create or maintain employment;
- (b) the extent to which it would support or encourage other activity which will create or maintain employment;
- (c) the extent to which it would broaden the range of economic opportunities in the area affected;
- (d) the direct effect, whether short-term, long-term or continuing, it would have upon provincial or federal expenditures;
- (e) the extent to which it would contribute to the stabilization of, or increase in, income levels in the area affected;

- (f) the impact it would have on the distribution of population and the quality of life;
- (g) its effect on the environment; and
- (h) in the case of an industrial or commercial activity, the extent to which continuing subsidization may be required.

6.3 Except as specified in the above mentioned Order in Council P.C. 1973-14/3799, all subsidiary agreements shall require the approval of the Governor in Council and the approval of the Lieutenant Governor in Council.

6.4 A subsidiary agreement may be entered into where initiatives are to be taken by both Canada and the Province and may provide for policies to be pursued and initiatives to be undertaken by Canada or the Province individually or jointly, and may provide for, among other things:

- (a) the coordination of existing federal and provincial programs in support of an agreed development opportunity;
- (b) the provision of specific support including financial assistance required for the implementation of development opportunities where support adequate to permit their realization would not be available under other government programs; and
- (c) the establishment of continuing programs, of a kind not otherwise available, for the support of development opportunities through reduction or elimination of identified impediments to development.

FINANCIAL

7. The provision of financing by Canada and the Province for the implementation of subsidiary agreements made pursuant to this Agreement is subject to the Parliament of Canada and the Province of Alberta having provided funds for such financing for the fiscal year in which such financing is required.

8.1 Financial arrangements as between Canada and the Province for each subsidiary agreement shall be established on the basis of the nature of the initiatives included therein, the federal and provincial responsibilities and interest in respect of such initiatives, and such other considerations as may be agreed.

8.2 The total annual level of funding to be provided by Canada and the Province for the operation of this Agreement and its allocation among the subsidiary agreements shall be based on an agreed estimate of requirements for the fiscal year concerned to achieve the objectives of the subsidiary agreements and of such additional funds as may be required for planning and analysis of possible future initiatives.

8.3 Where the costs of any initiative are to be shared between Canada and the Province, a subsidiary agreement shall specify the cost-sharing arrangements and the procedure for submission and reimbursement of claims between the parties, and may provide for advance payments and reimbursement by way of progress claims.

8.4 Subject to the approval of the Ministers, commitments made and costs incurred by either party prior to the date of this Agreement may be included in a subsidiary agreement, if such commitments or costs were made or incurred after June 1, 1973 and if the subsidiary agreement is signed before the elapse of six months from the date of this Agreement.

COORDINATION

9.1 The Ministers shall meet annually, and shall consult together at such other times as may be mutually agreed, to review the general operation of this Agreement; to consider development opportunities that might be pursued; to review existing or proposed subsidiary agreements; and to determine the required level of funding.

9.2 Canada and the Province shall establish a federal-provincial General Development Committee comprising:

- (a) a maximum of four representatives of the Province to be designated by the Provincial Minister, one of whom shall be appointed by him as co-chairman; and
- (b) a maximum of three representatives of Canada designated by the Federal Minister, one of whom shall be appointed by him as co-chairman.

9.3 The federal-provincial General Development Committee shall meet as required, or at such times as directed by the Ministers, to recommend to the Ministers action to be taken concerning major development opportunities and subsidiary agreements for the implementation thereof.

9.4 The federal-provincial General Development Committee shall designate one official of Canada and one official of the Province to be jointly responsible for the general coordination of actions taken under each subsidiary agreement.

10. The Ministers shall invite each interested department of Canada and the Province to send a representative to a meeting at least once each year at which the officials appointed under subsection 9.2 shall present information reviewing the strategy being pursued under this Agreement and initiatives being taken or to be taken under subsidiary agreements.

11.1 Canada and the Province take note of the existing federal and provincial programs concerning economic and socioeconomic development for which the Department of Regional Economic Expansion and the Province are individually or jointly responsible, and agree to co-ordinate those programs as closely as possible with the implementation of the subsidiary agreements made under this Agreement.

11.2 Subject to subsection 11.1, commitments made under programs now in effect shall not be affected by this Agreement except to the extent that the subject matter of such programs may be affected by the provisions of a subsidiary agreement, unless such programs be altered or terminated by mutual agreement of both parties.

EVALUATION

12. Each subsidiary agreement shall include appropriate provisions regarding evaluation, and Canada and the Province shall provide each other with such information as either party may reasonably require in order to evaluate the operation of any subsidiary agreement.

RECORDS AND AUDIT

13. Each of the parties hereto shall keep detailed and accurate accounts and records of its expenditures in respect of all initiatives taken under the Agreement, the cost of which is to be shared between them, and shall make such accounts and records available at all reasonable times for inspection and audit by the other party. Any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by any such audit, shall be promptly adjusted between the parties.

DURATION

14. This Agreement shall expire on the 31st day of March, 1984, unless earlier terminated by mutual agreement; provided, however, that either party may terminate this Agreement at the end of any fiscal year, by giving to the other party two clear fiscal years' notice in writing of such termination, it being agreed that such notice shall not be given sooner than three years from the date hereof. Subsidiary agreements implementing initiatives that cannot be completed by the date of expiration or termination of this Agreement shall continue in force and effect until completion of the relevant initiative or expiration of the applicable subsidiary agreements, whichever is the later.

GENERAL

15. No member of the House of Commons or of the Legislative Assembly of the Province of Alberta shall be admitted to any share or part of any contract, agreement, or commission made pursuant to any subsidiary agreement, or to any benefit to arise therefrom.

16. Any dispute between the parties hereto on any question of law or fact arising out of this Agreement, or any subsidiary agreement, shall be submitted to and determined by the Federal Court of Canada pursuant to the Federal Court Act of Canada. It is anticipated that the parties by mutual agreement may stipulate in any subsidiary agreement what law is to be applied by the Federal Court of Canada to that subsidiary agreement and to any dispute arising thereunder, and in the absence of such stipulation the law to be applied shall be determined by the Federal Court of Canada.

17. Where one party hereto is responsible for the implementation of a shared-cost initiative, it shall indemnify and save harmless the other party, its officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of such initiative, except to the extent to which such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.

18. All construction work in respect of initiatives shall be subject to and carried out in accordance with relevant labour legislation and such other conditions as may be agreed to between Canada and the Province.

19. All contracts for the performance of initiatives shall be awarded without discrimination by reason of race, sex, age, marital status, national origin, colour, religion or political affiliation; it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people or disadvantaged groups in the area concerned.

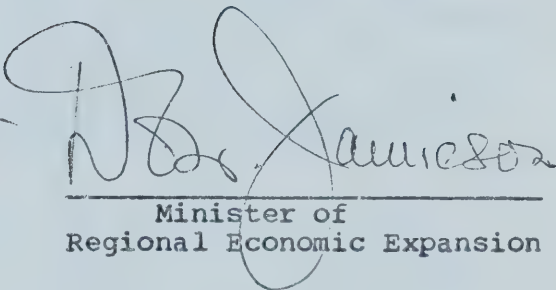
20. Canadian material and consulting and other professional services shall be used in respect of all initiatives to the extent to which they are procurable and in a manner that is consistent with proper economy and the expeditious performance of the initiatives.

21. The parties hereto agree to cooperate on the joint release of any announcements concerning the undertaking of subsidiary agreements, and to include in each subsidiary agreement provisions for a publicity program that provides due credit and recognition to the federal and provincial governments.

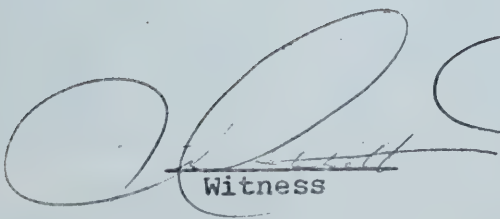
IN WITNESS WHEREOF, this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion and on behalf of the Province by the Minister of Federal and Intergovernmental Affairs.

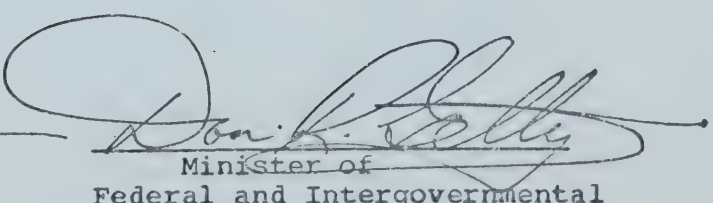
GOVERNMENT OF CANADA


Witness


Minister of
 Regional Economic Expansion

GOVERNMENT OF ALBERTA


Witness


Minister of
 Federal and Intergovernmental
 Affairs

GENERAL DEVELOPMENT AGREEMENT
SCHEDULE 'A'
ALBERTA

The intent of this schedule is to provide a general outline of development potential within the Province of Alberta. It is not intended to provide an exhaustive review of provincial strategies for economic and socioeconomic developments in Alberta or of federal involvement in such development. Neither does this schedule intend to limit developmental concerns to those implied or expressed in this document.

The Alberta economy, while relatively strong in terms of general economic indicators, is characterized by a number of factors which have intended to concentrate development, both sectorally and geographically within the province. It is recognized that government assistance may be required to rectify these imbalances.

Although economic and socioeconomic standards in Alberta are generally high, there exist communities which are unable to provide the productive employment opportunities or levels of social amenities necessary to permit all citizens to participate in and benefit from the development of the province. Many of these communities, although possessing the human and natural resource potential necessary for a viable community, are faced with the prospect of stagnation or decline unless means are devised to improve opportunities for productive employment and make available a social environment conducive to maintaining economic stability.

Alberta and Canada wish to institute a general framework for the planning and implementation of policies and programs which will foster economic and socioeconomic development in response to the specific opportunities and difficulties facing Alberta in the years ahead. While recognizing that both governments will jointly apply policies and programs in support of initiatives, the province will have primary responsibility for implementation and administration so far as is consistent with legislative provisions of the two governments. The two governments will undertake socioeconomic and economic action to achieve the objectives to: "improve opportunities for productive employment and access to those opportunities in areas or economic sectors of Alberta which, relative to other areas or sectors in Alberta, require special measures to realize development potential" and "promote balanced development among areas of Alberta and to encourage the equitable distribution of the benefits of such development".

Socioeconomic actions will be designed to effect employment opportunities for those without prospect of immediate gainful employment, and actions to enhance lifestyles including the provision of greater access to social amenities.

Long-range objectives will be to produce balanced economic development, both in terms of a greater rural/urban balance in job opportunities, and the diversification of the primary resource sector to provide for greater primary resource processing in Alberta.

An objective of balanced economic development will have considerable impact upon the socioeconomic objectives contained in this long-range development program for Alberta. The socioeconomic objectives of this Agreement are

directed at the optimization of social environments for all areas of the province in terms of infrastructure provision and the facilitation of access to social amenities required to achieve the long-term objectives of expanding opportunity for viable employment. Special emphasis will be placed on viable productive employment and social opportunity for persons living in areas away from major urban centres.

The objectives listed above conform to three basic goals. These are:

1. Economic development including
 - a) intensification of resource based processing industries in areas where renewable or non-renewable resources exist but where special measures are required to encourage their full utilization; and
 - b) encouragement of community development in the non-major urban service centres and rural communities where natural and human resources for viable economic and social development exist through measures including assistance in the form of incentives to encourage development of viable small industry, service and commercial developments when a need for such assistance has been established.
2. Socioeconomic development including the provision of capital facilities such as housing, sewage and water systems, roads and other infrastructure required to take optimum advantage of economic development opportunities.
3. The third goal is understood in both the economic and socioeconomic goals noted above: management of Alberta's natural mineral, forest and wildlife resources in order to facilitate achievement of optimum value from both non-renewable and renewable resources in the province.

OTTAWA-ALBERTA GENERAL DEVELOPMENT AGREEMENT SIGNED

OTTAWA, March 6, 1974 - A 10 year General Development Agreement described as the corner-store of a new approach to the problems of regional development was signed yesterday in Ottawa on behalf of Canada and Alberta. Acting on behalf of their respective Governments were Don Jamieson, Federal Minister of Regional Economic Expansion, and Don Getty, Alberta Minister of Federal and Inter-governmental Affairs.

The General Development Agreement (GDA) provides a new framework for actions which can be jointly undertaken by the Federal and Provincial governments, aimed at improving opportunities for productive employment and access to them for people in those areas or economic sectors of Alberta which, relative to other areas or sections of the province, require special measures to realize their development potential.

The development strategy outlined in the GDA is an umbrella for future "subsidiary agreements" of three specific types:

- Those co-ordinating existing federal provincial programs involving a particular development opportunity;
- those providing specific support not available through other government programs;
- those establishing continuing programs to fill gaps in the existing range of government development programs.

The Ministers described subsidiary agreements that will follow as "action pacts"- plans of action worked out co-operatively by the two governments to take advantage of well-defined opportunities for development.

The G.D.A. strategy for Alberta outlines joint federal-provincial action which can be undertaken to produce balanced economic development, both in terms of a greater rural/urban balance in job opportunities, and the diversification of the primary resource sector to provide greater primary resource processing.

Special emphasis will be placed on viable productive employment and social opportunity for persons living in areas away from major urban centres.

Mr. Jamieson pointed out that the designations under the Regional Development Incentives Act in Alberta expire on June 30 of this year. The ministers indicated that their two governments are presently exploring measures which would provide for the application of incentives to commercial and industrial development in the slow growth parts of the province. These measures would be designed to contribute to the attainment of the goals and strategy contained in the General Development Agreement and would place special emphasis upon the development of industry in non-major urban and rural centres.

Mr. Jamieson emphasized that the major decentralization of the Department of Regional Economic Expansion which he has launched is in line with the federal policy of joint development efforts with the provinces. The department's office in Edmonton will of course be maintained and its resources are being adjusted in keeping with the emerging needs of new program initiatives being undertaken. In addition, these activities will be supported by the Western Regional office of DREE now located in Saskatoon.

Referring to decentralization, Mr. Jamieson said, "This involves a significant movement of staff and decision-making authority out of Ottawa to the regions and the provincial capitals. This move will ensure that officials of the federal department will be in close contact with provincial officers to better serve the people in areas where DREE programs are to be applied".

Mr. Getty expressed his particular pleasure with the provisions of the agreement which eliminated arbitrary boundaries enclosing areas within the province eligible for joint Alberta/DREE assistance. "This will provide for a more flexible program, one which is available wherever a specific need or opportunity for development exists, and one which will work in closer harmony with provincial economic and socio-economic objectives," he said.

Mr. Getty indicated further that the expression, in the schedule, of a major administration and implementation role for Alberta, was a matter of major importance to the province. This provision will enable the Governments of Alberta and Canada to respond more directly and effectively to developmental opportunities and thus better reflect local and provincial conditions.

Mr. Jamieson emphasized that the General Development Agreement will not affect existing programs of his department, such as ARDA and PFRA, and in any event the existing programs will be closely co-ordinated with actions taken as a result of the General Development Agreement.

Mr. Getty and Mr. Jamieson also announced the signing today of an Interim Planning Agreement. This Agreement provides a mechanism whereby DREE and the Province will jointly finance studies during the current fiscal year on a 50-50 cost-sharing basis.

Public Information Branch

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